



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 22, 2007

Public Transportation Terrorism Prevention Act of 2007

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs
on February 8, 2007*

SUMMARY

The Public Transportation Terrorism Prevention Act of 2007 would authorize the Department of Homeland Security (DHS) to provide \$3.5 billion in grants over the 2008-2010 period to public transportation agencies to improve the security of transit systems, and grants and contracts to public and private entities to study methods of deterring terrorist attacks against transit systems and mitigating damages from such attacks. Assuming appropriation of the amounts specified in the bill for those grants, CBO estimates that implementing those provisions would cost about \$2.9 billion over the 2007-2012 period and about \$570 million after 2012.

In addition to authorizing appropriations for grants, the bill would require DHS to create a public transportation training program, review security assessments submitted by public transportation agencies, assess the security of bus and rural transportation systems, and report to the Congress and to the governor of each state on the use of the grants for security improvements. Finally, the legislation would authorize grants for the Information Sharing and Analysis Center (ISAC) for Public Transportation. Assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost about \$5 million each year over the 2008-2012 period.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to public transportation agencies would be minimal and would not exceed the threshold established in UMRA (\$66 million in 2007, adjusted annually for inflation). The legislation contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the legislation is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2007	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Capital Security Assistance Grants						
Authorization Level	0	536	772	1,062	0	0
Estimated Outlays	0	80	277	498	533	393
Operational Security Assistance Grants						
Authorization Level	0	534	333	133	0	0
Estimated Outlays	0	401	357	193	43	7
Research Grants and Contracts						
Authorization Level	0	30	45	55	0	0
Estimated Outlays	0	8	25	43	38	17
Information Sharing and Analysis Center (ISAC) for Public Transportation						
Estimated Authorization Level	1	1	1	1	1	1
Estimated Outlays	1	1	1	1	1	1
Guidance, Assessments, and Reports						
Estimated Authorization Level	4	4	4	4	4	4
Estimated Outlays	2	4	4	4	4	4
Total Changes						
Estimated Authorization Level	5	1,105	1,155	1,255	5	5
Estimated Outlays	3	494	663	739	640	421

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted in fiscal year 2007 and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the ISAC for Public Transportation and historical spending patterns of similar programs.

Capital Security Assistance Grants

The bill would authorize the appropriation of \$536 million for 2008, \$772 million for 2009, and \$1,062 million in 2010 for grants to public transportation agencies for capital security assistance grants to improve the security of their transit systems. This would include funds for tunnel and perimeter protection; surveillance, communications, and emergency response equipment; chemical, biological, radiological, and explosive detection systems; and evacuation improvements. Assuming appropriation of the authorized amounts, CBO estimates that implementing those provisions would cost about \$80 million in 2008 and about \$1.8 billion over the 2008-2012 period.

Operational Security Assistance Grants

The bill would authorize the appropriation of \$534 million for 2008, \$333 million for 2009, and \$133 million in 2010 for grants to public transportation agencies for operational security improvements to improve the security of their transit systems. This would include funds for security training and emergency drills. Assuming appropriation of the authorized amounts, CBO estimates implementing those provisions would cost \$401 million in 2008 and \$1 billion over the 2008-2012 period.

Research Grants

The legislation would authorize the appropriation of \$30 million for 2008, \$45 million for 2009, and \$55 million in 2010 for grants or contracts to public and private entities to research methods of deterring terrorist attacks against public transportation systems and mitigating damages from such attacks. Research projects could include studying chemical, biological, radiological, or explosive detection systems, or conducting product evaluations and testing. Assuming appropriation of the authorized amounts, CBO estimates that providing those grants would cost \$8 million in 2008 and \$130 million over the 2008-2012 period.

ISAC for Public Transportation

The ISAC for Public Transportation (a private entity) distributes information to public transportation agencies on security threats and helps transit agencies share security-related information. The bill would require the Secretary of Homeland Security to cover the costs of the ISAC. Based on information from the ISAC and assuming appropriation of the necessary amounts, CBO estimates that implementing this provision would cost about \$1 million each year beginning in 2007.

Guidance, Assessments, and Reports

The legislation would require DHS to review all security assessments submitted by public transportation agencies, evaluate the security of bus and rural public transportation systems, establish a public transportation training program, and report to the Congress and to the governor of each state on the use of the grants for security improvements. Based on information from DHS and assuming appropriation of the necessary amounts, CBO estimates that implementing those provisions would cost \$2 million in 2007 and about \$4 million each year over the 2008-2012 period.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill contains an intergovernmental mandate as defined in UMRA. Section 6 would require certain public transportation agencies to participate in the ISAC. While the Department of Homeland Security would fund the ISAC, the requirement on certain public transportation agencies to participate in the ISAC would constitute a mandate as defined in UMRA. Since most public transportation agencies that could be at significant risk of a terrorist attack already participate in the ISAC, CBO estimates that the additional costs to public transportation agencies would be minimal and would not exceed the threshold established in UMRA (\$66 million in 2007, adjusted annually for inflation).

Eligible public transit agencies also would benefit from more than \$3 billion in grants authorized by the bill to upgrade transit security. Any requirements associated with those grants would be conditions of receiving federal assistance.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The legislation contains no new private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Matthew Pickford

Impact on State, Local, and Tribal Governments: Sarah Puro

Impact on the Private Sector: Fatimot Ladipo

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis